Manitoba
Housing
Landlord and
Tenant Affairs

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MG-12290

REPORT ON THE ADMINISTRATION

OF THE

RENT REGULATION PROGRAM

FOR THE FISCAL YEAR ENDED

MARCH 31, 1989

90-02151/

Minister of
Housing

Room 317
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

(204) 945-0073

September 19, 1989

The Honourable George Johnson
Lieutenant Governor of Manitoba

May It Please Your Honour:

In accordance with Section 15 of The Residential Rent Regulation Act I am pleased to submit the report on the administration of the Rent Regulation Program for the fiscal year ended March 31, 1989, for the information of Your Honour.

Respectfully submitted,

Honourable Gerald Ducharme
Minister of Housing

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RENT REGULATION BUREAU

LANDLORD AND TENANT AFFAIRS BRANCH
RENT REGULATION BUREAU

The Landlord and Tenant Affairs Branch of Manitoba Housing consists of two offices: The Office of the Rentalsman and the Rent Regulation Bureau.

The Rent Regulation Bureau is charged with the administration of the Residential Rent Regulation Act. The Act, together with the corresponding Regulations, specifies:

- the annual rent increase guideline for premises under its jurisdiction;
- the type and class of buildings excluded from the legislation;
- the rights and obligations of landlords and tenants under the legislation; and
- the various procedures to be followed in the administration of the Act.

The Rent Regulation Bureau's main areas of activity consist of:

- reviewing and processing landlord applications for rent increases above the guideline;
- reviewing and processing tenants' objections to any rent increases whether below, at, or above guideline;
- recommending allowable rent increases based on landlords' applications and tenants' objections;
- investigating non-compliance with the legislation; and
- taking action for non-compliance, where applicable.

A perhaps less formalized but equally important function of the Bureau is the ongoing monitoring and evaluation of applicable economic indicators and developments which may have the potential to affect conditions in the rental housing market. Contacts with the relevant agencies of other levels of government and the housing industry provide the Bureau with the opportunity to examine, in advance, proposed new and changing programs, legislation or policy directions emanating from these agencies. While activities of this nature are not always easily quantified, they are, nevertheless, an important aspect of the Bureau's ongoing attempt to maintain as equitable a rent regulation program as possible.

ACTIVITIES EXTENDING ACROSS FISCAL YEARS

For the purpose of reporting to the Legislature under the Residential Rent Regulation Act, the rental year coincides with the calendar year.

The annually determined guideline amount, which establishes the threshold above which rent increases must be reviewed and approved by the Rent Regulation Bureau, is set on a calendar year basis. Consequently, the effective date of the rent increase determines the year under which the increase will be recorded and reported by the Bureau.

The Residential Rent Regulation Act requires that a report on the administration of the Act be prepared on a fiscal year basis. As a result, activities of the Bureau during any given fiscal year include rent increases, and other related issues, pertaining to three different calendar years. For instance, the 1988/89 fiscal year includes unresolved 1987 issues, most of the 1988 cases, and a substantial number of applications for 1989 rent increases. The statistical tables in this report identify the year in the heading whenever the particular data pertain to a specific calendar year only. As such, Tables 1 and 2 are simply statistical summaries for activities relating to rent increases that came into effect during the 1988 and 1989 calendar years respectively. Consequently, the figures within these tables identifying the two fiscal years are not comparable. The same applies to the corresponding tables in the Rent Appeals section of the report.

TABLE 1

CALENDAR YEAR 1988

STATISTICAL SUMMARY FOR MANITOBA

APPLICATIONS BY LANDLORDS FOR RENT INCREASES ABOVE GUIDELINE		1987/88 FISCAL YEAR	1988/89 FISCAL YEAR
Carried forward from previous year		-	2,211
Received	- Winnipeg	4,175	2,425
	- Brandon	288	75
	- Rural	194	137
TOTAL		4,657	4,848
Applications withdrawn		44	48
Determined		2,402	4,627
ACTIVE		2,211	173

OBJECTIONS BY TENANTS TO INCREASES LESS THAN OR EQUAL TO THE GUIDELINE			
Carried forward from previous year		-	31
Received	- Winnipeg	40	81
	- Brandon	6	9
	- Rural	1	47
TOTAL		47	168
Objections withdrawn		8	30
Determined		8	85
ACTIVE		31	53

COMPLIANCE			
Received	- Winnipeg	83	252
	- Brandon	11	4
	- Rural	51	21
TOTAL		145	277
Resolved		142	260
BALANCE		3	17
Referred to Rent Appeal Panel		3	17
ACTIVE		-	-

TABLE 2

CALENDAR YEAR 1989

STATISTICAL SUMMARY FOR MANITOBA

APPLICATIONS BY LANDLORDS FOR RENT INCREASES ABOVE GUIDELINE	1987/88 FISCAL YEAR	1988/89 FISCAL YEAR
Carried forward from previous year	-	-
Received - Winnipeg	-	3,314
- Brandon	-	78
- Rural	-	96
TOTAL	-	3,488
Applications withdrawn	-	4
Determined	-	1,574
ACTIVE	-	1,910

OBJECTIONS BY TENANTS TO INCREASES LESS THAN OR EQUAL TO THE GUIDELINE		
Carried forward from previous year	-	-
Received - Winnipeg	-	30
- Brandon	-	8
- Rural	-	3
TOTAL	-	41
Objections withdrawn	-	6
Determined	-	12
ACTIVE	-	23

COMPLIANCE		
Received - Winnipeg	-	74
- Brandon	-	-
- Rural	-	7
TOTAL	-	81
Resolved	-	78
BALANCE	-	3
Referred to Rent Appeal Panel	-	3
ACTIVE	-	-

ACTIVITY SUMMARY

All statistics throughout this report are expressed in terms of the number of rental units affected (i.e. if all 24 units in an apartment building are under review, our statistics will reflect this with a count of 24).

Table 3 measures only volume of activity of the Rent Regulation Bureau on a comparative basis for the fiscal years 1987/88 and 1988/89. Processing of landlord applications for rent increases above the guideline decreased by almost 3,500 units in the 1988/89 fiscal year. Tenant objections to guideline or less increases were processed at a somewhat higher level (139 vs. 111) during the 1988/89 fiscal year.

The declining trend in the need to investigate alleged improper rent increases has continued during 1988/89 fiscal year. Activities under the heading "Compliance Cases" fell from 451 in 1987/88 to 358 in 1988/89.

Appeals of rent increase recommendations issued by the Rent Regulation Bureau, as well as the processing of applications for temporary exemption from rent regulations due to major rehabilitation work, rests with the Rent Appeals Branch of Manitoba Housing. In concordance with the declining number of applications, appeals processed fell from 4,042 in 1987/88 to 2,268 in 1988/89. Again, these figures should only be used for the purpose of comparing volumes of activities rather than the development of a trend.

The rehabilitation provisions of the Residential Rent Regulation Act provide for a two stage process. First, a landlord submits an application for rehabilitation of the premises and for approval to proceed with the project. Once the project is completed, the landlord applies for the previously determined exemption period to be ratified.

During the 1988/89 fiscal year, Appeal Panels heard presentations seeking approval to commence major rehabilitation projects on a total of 128 rental units. In addition, applications for temporary exemptions from Rent Regulation were considered on 131 rental units where previously - applied-for rehabilitation projects had been completed.

TABLE 3

ACTIVITY SUMMARY

ACTIVITIES	PROCESSED DURING FISCAL YEAR 1987/88	1988/89
Landlord Applications For Rent Increases	9,735	6,260
Tenant Objections To Guideline or Less Increases	111	139
Compliance Cases	451	358
Appealed Recommendations	4,042	2,268
Applications For Rehabilitation	151	128
Applications For Exemption	11	131

TABLE 4

INCOMING FORMS

TYPE OF FORMS	RECEIVED IN FISCAL YEAR 1987/88	1988/89
Notices Of Increase In Rent	55,604	51,688
Notices To New Tenants	17,267	17,441
Tenant Objections To Guideline Or Less Increases	132	182
Tenant Objections To Above Guideline Increases	1,817	1,211
Applications For Rent Increases Above Guideline	7,623	6,122
Notices Of Appeal	2,871	2,263
Applications For Rehabilitation	181	99
Applications For Exemption	11	175

The Manitoba Residential Rental Housing Market

The total rental housing stock in Manitoba is in excess of 126,000 dwellings. About 100,000 of the dwellings are under the jurisdiction of the Residential Rent Regulation Act (controlled units); the remaining 26,000 units are exempt for various reasons as permitted by the Act and its Regulations. (i.e. less than five years old, approved rehabilitation projects, etc.)

Tables 5 and 6 list the average rent levels for 1988 and 1989 on controlled as well as exempt units for some major Manitoba communities. The controlled sector consists of units where above guideline increases were allowed by the Bureau as well as units where landlords had restricted the increase to the guideline amount. The adjacent percentage figures express the average rent increase taken, in either 1988 or 1989, to reach these rent levels.

Values in these two tables cannot be compared across the two rental years since the properties reporting are not necessarily the same properties for both years. As a case in point, Portage La Prairie shows the average rent level for controlled units in 1988 as $425 while in Table 6, 1989 average rents are given as $413 which is shown as a 1.8% increase - a seemingly contradictory result. However, the 1989 values are quite valid although only a limited number of properties had reported by the time this report was prepared. Most rent increases take place in the second half of the calendar year and, consequently, the final figures for 1989 average increases and rent levels will be reflected in next year's annual report.

The annually determined guideline amount for rent increases remained at 3% in 1989 - the same level that was set for the previous three years. It is not unexpected then that average percentage increases in 1989, for both the controlled and exempt sector, appear to be in a similar range and follow the pattern that was set in 1988.

Final 1988 data shows that the average rent levels for Manitobans who occupied rental housing in the controlled sector rose by 3.4%; the increase in the exempt sector was 2.5%. Early 1989 data indicates average increases of 3.5% in both the controlled sector and for exempt units.

TABLE 5

MANITOBA RENTAL MARKET

1988 AVERAGE RENT LEVELS AND INCREASES ON REPORTING UNITS, WINNIPEG AND RURAL MANITOBA

	CONTROLLED UNITS		EXEMPT UNITS	
LOCATION	AVERAGE RENT LEVEL	AVERAGE % INCREASE	AVERAGE RENT LEVEL	AVERAGE % INCREASE
Winnipeg	429	3.5	469	2.5
Brandon	350	2.6	417	2.5
Dauphin	294	2.8	457	3.5
Portage La Prairie	425	2.4	348	- 0.6
Selkirk	408	3.3	494	1.9
The Pas	317	2.1	474	1.[illegible]
Thompson	388	3.7	400	2.8
Northern Region	315	5.0	256	3.7
Southern Region	252	4.2	458	2.3
Rural	339	3.7	428	2.6
MANITOBA	**419**	**3.4**	**464**	**2.5**

NOTE:

1. The average rent levels in this table are averages of the final rents after the 1988 rent increases were taken.

2. Rural figures exclude Winnipeg and Brandon.

3. Data for the Northern and Southern Regions are exclusive of the above listed communities; the boundary between the two regions runs just north of Pine Falls.

Manitoba Rental Market
1988 Average Rent Levels
Controlled Units

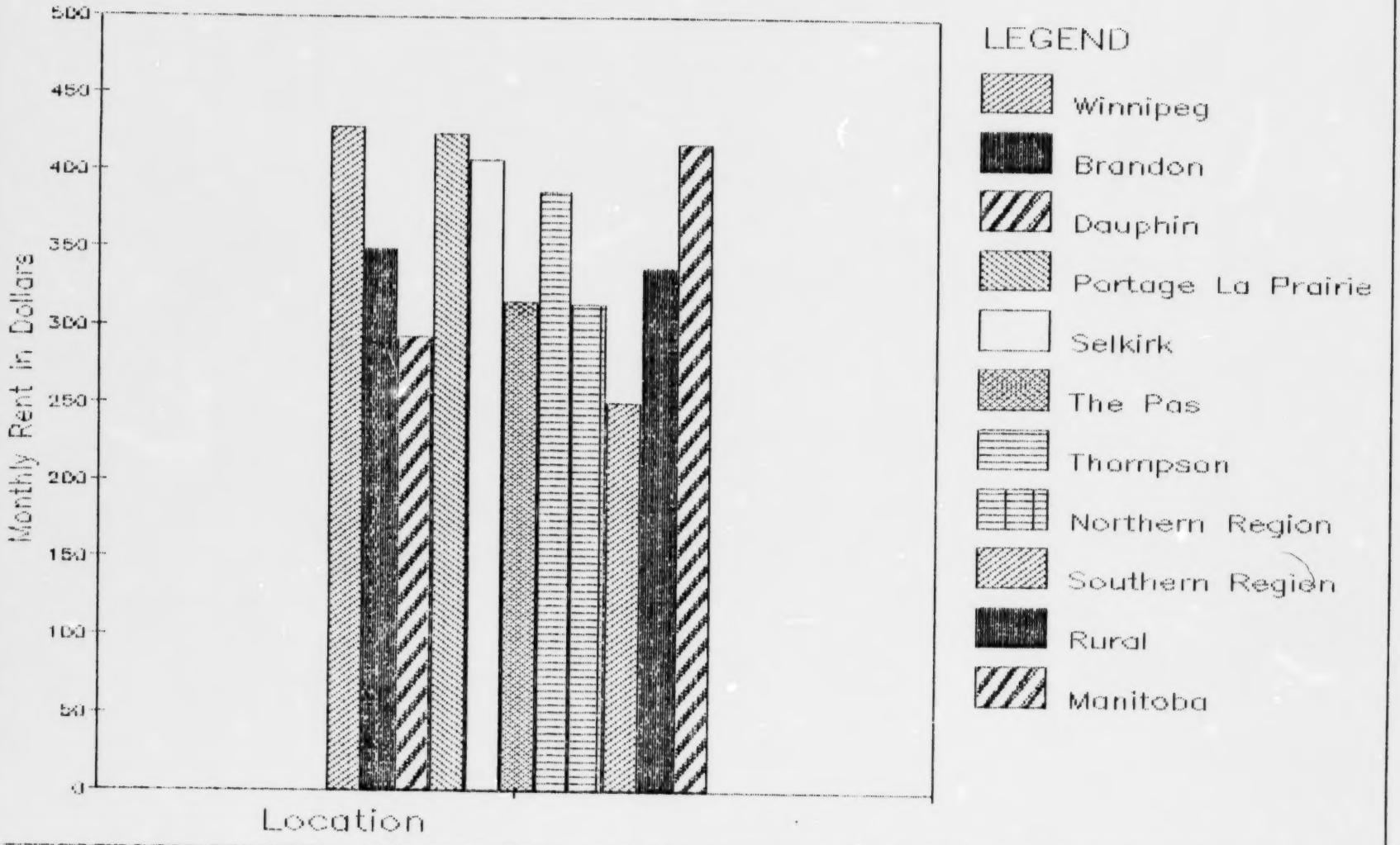


TABLE 6

MANITOBA RENTAL MARKET

1989 AVERAGE RENT LEVELS AND INCREASES ON REPORTING UNITS, WINNIPEG AND RURAL MANITOBA

	CONTROLLED UNITS		EXEMPT UNITS	
LOCATION	AVERAGE RENT LEVEL	AVERAGE % INCREASE	AVERAGE RENT LEVEL	AVERAGE % INCREASE
Winnipeg	459	3.4	505	3.6
Brandon	365	3.0	393	2.8
Dauphin	301	2.9	467	2.1
Portage La Prairie	413	1.8	311	- 5.7
Selkirk	445	14.5	497	0
The Pas	435	2.7	462	- 2.4
Thompson	359	5.0	418	3.0
Northern Region	316	4.4	106	2.9
Southern Region	287	3.2	431	2.3
Rural	343	4.3	427	2.2
MANITOBA	**438**	**3.5**	**493**	**3.5**

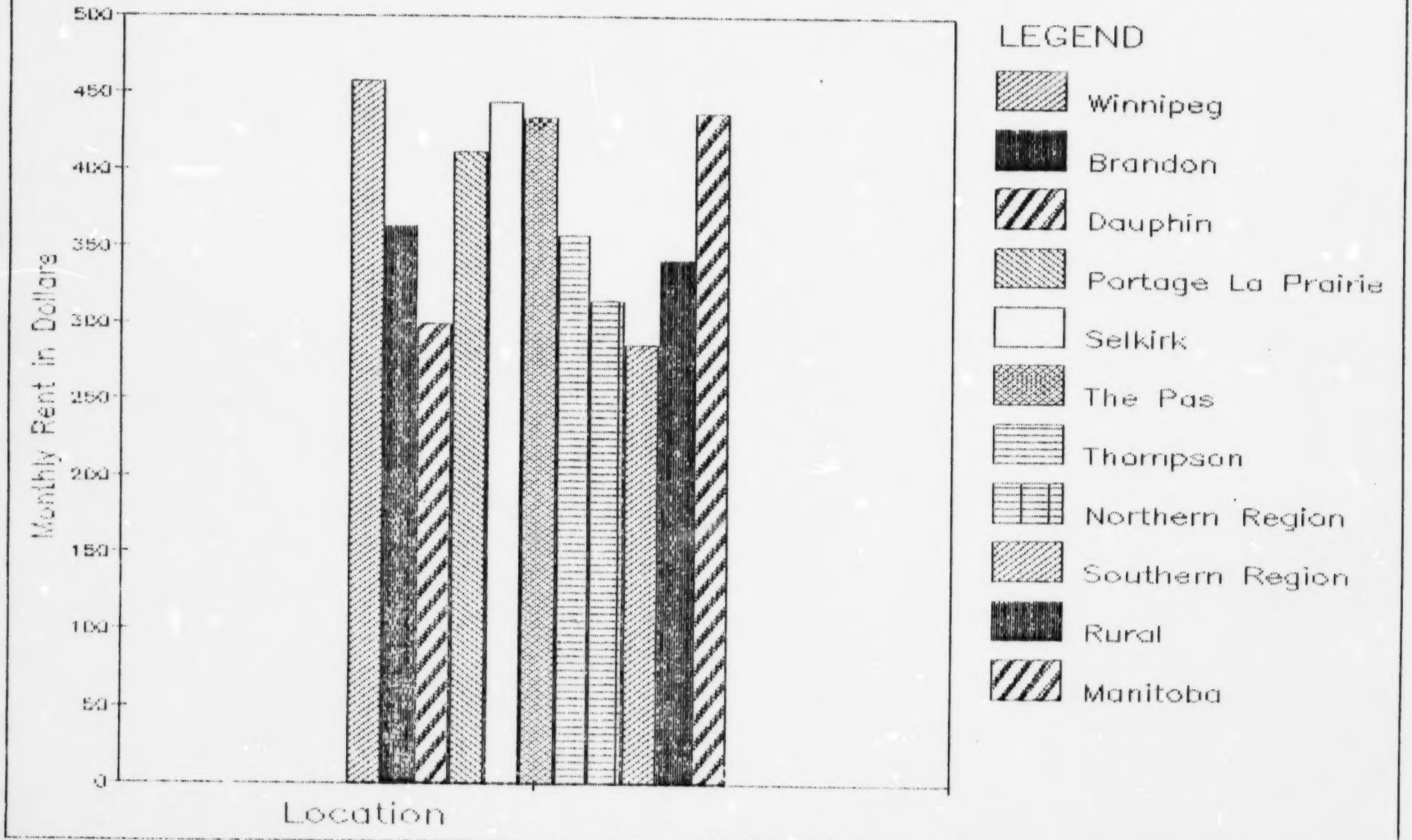
NOTE:

1. The average rent levels in this table are averages of the final rents after the 1989 rent increases were taken.

2. Rural figures exclude Winnipeg and Brandon.

3. Data for the Northern and Southern Regions are exclusive of the above listed communities; the boundary between the two regions runs just north of Pine Falls.

Manitoba Rental Market
1989 Average Rent Levels
Controlled Units



RENT LEVELS AND INCREASES

WINNIPEG

Tables 7 and 8 detail average rent levels and increases in Winnipeg for 1988 and 1989 respectively. Rent levels within a suite type generally drop as the age of the building increases. This relationship can be expected to hold true in future years, as it has in the past, since initial rents in a new building are set based on the cost of construction and, consequently, this factor is then reflected in higher rent levels for buildings of more recent construction.

On the other hand, average percentage increases follow the opposite path, i.e. older buildings, generally, show higher average percentage increases. The actual dollar increases, however, are not quite as divergent.

This pattern is partly a reflection of the Rent Regulation Process which allows increases based on actual operating cost increases for the rental property. Operating costs for rental properties remain relatively constant for a considerable length of time in the lifetime of a building. A large portion of these costs, along with their periodic increases, are beyond the control of building management and are based on economic factors not directly related to a specific building. Increases in these costs affect all rental properties to the same degree with the resulting allowable dollar rent increases being of similar magnitude regardless of rent levels. As a corollary to this, it can then be assumed that landlords'

applications for rent increases above the guideline amount are primarily based on increases in operating expenses rather than low rent levels. Data in Table 7 which deal with the more complete 1988 statistics seem to support this observation. Average rent levels for units that applied for above guideline increases and those that took guideline increases are within a similar range.

TABLE 7
WINNIPEG

1988 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	258	8.5	248
	1946-1959	259	8.6	270
	1960-1977	329	3.9	342
	1978+	-	-	302
	TOTAL	**276**	**7.1**	**301**
1 Bedroom	0-1945	318	8.4	303
	1946-1959	332	8.0	333
	1960-1977	421	4.8	410
	1978+	480	4.4	466
	TOTAL	**400**	**5.4**	**397**
2 Bedroom	0-1945	395	13.4	393
	1946-1959	373	9.4	403
	1960-1977	486	4.7	490
	1978+	565	5.0	577
	TOTAL	**478**	**5.2**	**493**
3 Bedroom	0-1945	483	11.7	507
	1946-1959	509	9.7	439
	1960-1977	514	4.2	569
	1978+	611	4.4	637
	TOTAL	**520**	**5.1**	**582**
4 Bedroom	0-1945	531	26.5	504
	1946-1959	-	-	-
	1960-1977	557	6.1	580
	1978+	-	-	607
	TOTAL	**551**	**9.6**	**545**
Other	0-1945	293	9.9	348
	1946-1959	311	7.3	354
	1960-1977	313	6.4	445
	1978+	502	6.6	542
	TOTAL	**310**	**7.1**	**430**
TOTAL	**ALL YEARS**	**410**	**5.6**	**433**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1988 rent increases were taken.

TABLE 8
WINNIPEG

1989 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	239	7.3	248
	1946-1959	259	6.9	245
	1960-1977	362	5.1	364
	1978+	-	-	390
	TOTAL	**284**	**6.3**	**316**
1 Bedroom	0-1945	312	24.7	310
	1946-1959	329	6.0	325
	1960-1977	468	5.4	425
	1978+	-	-	506
	TOTAL	**458**	**5.8**	**420**
2 Bedroom	0-1945	414	22.8	470
	1946-1959	363	6.7	393
	1960-1977	507	5.6	514
	1978+	x	x	586
	TOTAL	**503**	**6.0**	**523**
3 Bedroom	0-1945	346	16.2	485
	1946-1959	x	x	491
	1960-1977	467	4.8	579
	1978+	-	-	627
	TOTAL	**466**	**5.1**	**578**
4 Bedroom	0-1945	-	-	495
	1946-1959	-	-	-
	1960-1977	439	2.1	620
	1978+	-	-	-
	TOTAL	**439**	**2.1**	**591**
Other	0-1945	404	14.2	350
	1946-1959	383	10.0	340
	1960-1977	480	5.9	448
	1978+	483	0.7	531
	TOTAL	**467**	**6.8**	**437**
TOTAL	**ALL YEARS**	**468**	**5.9**	**458**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1989 rent increases were taken.

WINNIPEG DISTRICTS

The average 1988 rent within the controlled sector and the various districts that make up the City of Winnipeg is $429 per month. This ranges from a high of $521 in Charleswood/Tuxedo to a low of $353 in North Winnipeg. Traditionally, Charleswood/Tuxedo together with River Heights show the highest rent levels due to the high concentration of luxury apartments in these areas. There are, however, a number of other areas in the city where average rent levels are closely following suit; primarily in The Maples, Assiniboia, Fort Garry and Fort Rouge. With the exception of Fort Rouge, which has always been a preferred location due to its central location with easy access to downtown, all the other areas were, only a few years ago, part of the outer periphery of the city. The high level of rental housing construction in these areas in the late 70's and again in the mid 80's created modern and sought-after rental accommodation at above average rent levels.

The relatively high vacancy rate is beginning to moderate rent increases, especially at higher rent levels. This development is more pronounced in the exempt sector which should help to maintain a relative balance in rent levels between the two segments of the market.

TABLE 9
WINNIPEG RENTAL MARKET

1988 AVERAGE RENT LEVELS AND INCREASES ON REPORTING UNITS

	CONTROLLED UNITS		EXEMPT UNITS	
LOCATION	AVERAGE RENT LEVEL	AVERAGE % INCREASE	AVERAGE RENT LEVEL	AVERAGE % INCREASE
Charleswood/Tuxedo	521	3.3	747	- 1.4
Crestwood - Assiniboia/ St. James/Westwood	458	3.1	556	1.0
East Kildonan/Elmwood	409	3.7	428	1.7
Fort Rouge	435	3.1	469	3.0
Fort Garry/St. Norbert	464	4.1	521	3.1
Maples/Tyndall Park/ West Kildonan	471	4.1	497	5.5
North Kildonan	429	3.1	537	3.2
North Winnipeg	353	3.9	327	5.4
River Heights	493	2.9	336	1.8
St. Vital	436	3.6	414	1.8
St. Boniface/Windsor Park/Southdale	424	3.3	383	4.5
Transcona	409	3.2	501	7.0
West Winnipeg	359	3.4	335	5.2
Winnipeg Centre	365	3.7	447	1.5
Weston	354	3.8	499	5.6
TOTAL WINNIPEG	**429**	**3.5**	**469**	**2.5**

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1988 rent increases were taken.

TABLE 10

WINNIPEG RENTAL MARKET

1989 AVERAGE RENT LEVELS AND INCREASES ON REPORTING UNITS

	CONTROLLED UNITS		EXEMPT UNITS	
LOCATION	AVERAGE RENT LEVEL	AVERAGE % INCREASE	AVERAGE RENT LEVEL	AVERAGE % INCREASE
Charleswood/Tuxedo	538	0.7	797	4.8
Crestwood - Assiniboia/ St. James/Westwood	492	3.8	555	2.1
East Kildonan/Elmwood	424	3.9	409	3.3
Fort Rouge	453	3.7	462	1.4
Fort Garry/St. Norbert	487	4.5	600	7.0
Maples/Tyndall Park/ West Kildonan	484	1.6	518	6.8
North Kildonan	439	3.3	579	0.2
North Winnipeg	361	4.4	439	78.6
River Heights	561	8.0	670	4.7
St. Vital	487	2.9	450	2.4
St. Boniface/Windsor Park/Southdale	464	2.4	400	3.1
Transcona	446	2.6	529	4.7
West Winnipeg	418	3.6	327	3.1
Winnipeg Centre	397	3.5	450	1.9
Weston	374	3.0	-	-
TOTAL WINNIPEG	**459**	**3.4**	**505**	**3.6**

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1989 rent increases were taken.

BRANDON

Most rental properties in Brandon accepted guideline increases of 3% or less in 1988. The limited number of applications for rent increases above the guideline resulted in recommended increases averaging 7%. The rent level of $162 shown in this category in Table 11 is not representative of the average cost of rental housing in this community. This relatively low number is largely due to the inclusion of "Mobile Home Park" units. The average rent level of $383 shown under the heading of 'Increases at or below guideline' is more representative of the Brandon rental housing stock. At 2.6% (Table 5) the overall average rent increase taken in Brandon in 1988 was less than the allowable guideline.

Early 1989 statistics (first 3 months of the calendar year) are too limited and not representative - only Mobile Homes - to permit any evaluation.

TABLE 11
BRANDON

1988 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	-	-	-
	1946-1959	-	-	-
	1960-1977	-	-	341
	1978+	-	-	349
	TOTAL	-	-	**345**
1 Bedroom	0-1945	347	7.7	300
	1946-1959	-	-	285
	1960-1977	362	6.1	383
	1978+	-	-	439
	TOTAL	**351**	**7.3**	**381**
2 Bedroom	0-1945	393	7.1	412
	1946-1959	-	-	301
	1960-1977	396	3.8	442
	1978+	-	-	531
	TOTAL	**394**	**5.9**	**460**
3 Bedroom	0-1945	-	-	365
	1946-1959	x	x	-
	1960-1977	-	-	415
	1978+	-	-	541
	TOTAL	**x**	**x**	**518**
4 Bedroom	0-1945	-	-	461
	1946-1959	-	-	-
	1960-1977	-	-	-
	1978+	-	-	-
	TOTAL	-	-	**461**
Other	0-1945	125	7.1	268
	1946-1959	-	-	276
	1960-1977	-	-	425
	1978+	-	-	184
	TOTAL	**125**	**7.1**	**233**
TOTAL	**ALL YEARS**	**162**	**7.0**	**383**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1988 rent increases were taken.

TABLE 12
BRANDON

1989 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE		INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3%
		AVERAGE RENTS	AVERAGE % INCREASES	AVERAGE RENTS
Bachelor	0-1945	-	-	x
	1946-1959	-	-	-
	1960-1977	-	-	349
	1978+	-	-	379
	TOTAL	-	-	**366**
1 Bedroom	0-1945	-	-	333
	1946-1959	-	-	315
	1960-1977	-	-	394
	1978+	-	-	454
	TOTAL	-	-	**394**
2 Bedroom	0-1945	x	x	397
	1946-1959	-	-	308
	1960-1977	-	-	458
	1978+	-	-	510
	TOTAL	x	x	**465**
3 Bedroom	0-1945	-	-	x
	1946-1959	-	-	-
	1960-1977	-	-	290
	1978+	-	-	545
	TOTAL	-	-	**510**
4 Bedroom	0-1945	-	-	x
	1946-1959	-	-	-
	1960-1977	-	-	381
	1978+	-	-	-
	TOTAL	-	-	**407**
Other	0-1945	191	18.4	144
	1946-1959	-	-	342
	1960-1977	-	-	312
	1978+	-	-	318
	TOTAL	191	18.4	**151**
TOTAL	**ALL YEARS**	235	12.5	**365**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1989 rent increases were taken.

RURAL AREAS

In 1988, the City of Thompson had the highest average rent increase in the controlled sector of the major 'rural' centres at 3.7%. No doubt, the resurging economic activities in the mining industry raised the demand for more rental housing units. Previously 'mothballed' units were reactivated while others were newly furnished which elevated the rent levels. In addition, the Thompson row and townhouse vacancy rate experienced a significant reduction from 4.1% in April 1988 to 1.8% in October 1988 (C.M.H.C. October 1988 Vacancy Survey). Structures in the row and townhouse category represent a major portion of the Thompson rental housing stock.

Generally, the rental market in the rural area of the province has a much less homogeneous structure than the one found in the two major urban centres of Winnipeg and Brandon. The total rural rental market ranges from the well established and professionally managed, in communities such as Thompson, Dauphin, Portage La Prairie, The Pas and Selkirk, to a mix of single family houses and converted structures that form part of the rental market in small settlements or remote communities. A considerable segment of rural rental housing is occupied by friends, relatives, or employees of the landlord.

In these instances, rent increases rarely occur on an annual basis. It is quite common for no increases to have been taken for a number of years regardless of any increases in operating costs. Quite often it is only a tenancy turnover that causes a landlord to reassess his financial position and seek an increase above the guideline amount. The small structure (not more than three rental units) of the rental property frequently allows the landlord to apply under section 16(2) of the Act. Provisions under this section of the Act allow landlords, of structures in which there are not more than three rental units, to increase rents to market levels if the previous tenant vacated voluntarily. This avenue raises the overall average percentage increases allowed above those registered for Winnipeg or Brandon (See Table 13).

TABLE 13
RURAL
1988 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE: AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE: AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3%: AVERAGE RENTS
Bachelor	0-1945	x	x	319
	1946-1959	x	x	214
	1960-1977	-	-	288
	1978+	-	-	-
	TOTAL	**133**	**8.3**	**298**
1 Bedroom	0-1945	294	24.0	373
	1946-1959	286	5.4	285
	1960-1977	372	1.9	354
	1978+	x	x	390
	TOTAL	**308**	**10.1**	**364**
2 Bedroom	0-1945	332	22.4	420
	1946-1959	-	-	257
	1960-1977	369	11.1	408
	1978+	-	-	434
	TOTAL	**352**	**15.7**	**416**
3 Bedroom	0-1945	382	18.7	337
	1946-1959	-	-	165
	1960-1977	319	28.0	321
	1978+	-	-	361
	TOTAL	**328**	**26.3**	**323**
4 Bedroom	0-1945	-	-	332
	1946-1959	-	-	122
	1960-1977	-	-	380
	1978+	-	-	331
	TOTAL	-	-	**356**
Other	0-1945	114	16.0	240
	1946-1959	246	9.1	330
	1960-1977	293	4.9	258
	1978+	-	-	249
	TOTAL	**167**	**10.0**	**246**
TOTAL	**ALL YEARS**	**220**	**12.9**	**349**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1988 rent increases were taken.

TABLE 14
RURAL

1989 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	-	-	277
	1946-1959	-	-	220
	1960-1977	303	9.0	291
	1978+	-	-	-
	TOTAL	303	9.0	**284**
1 Bedroom	0-1945	-	-	335
	1946-1959	-	-	293
	1960-1977	362	9.3	360
	1978+	340	5.9	396
	TOTAL	**356**	**8.4**	**357**
2 Bedroom	0-1945	370	17.3	376
	1946-1959	-	-	297
	1960-1977	354	9.0	400
	1978+	395	5.7	488
	TOTAL	**372**	**9.1**	**409**
3 Bedroom	0-1945	x	x	304
	1946-1959	-	-	129
	1960-1977	216	8.0	204
	1978+	-	-	247
	TOTAL	**228**	**11.1**	**230**
4 Bedroom	0-1945	-	-	-
	1946-1959	-	-	126
	1960-1977	-	-	142
	1978+	-	-	-
	TOTAL	-	-	**135**
Other	0-1945	375	6.0	242
	1946-1959	-	-	-
	1960-1977	x	x	324
	1978+	390	6.8	319
	TOTAL	**378**	**5.9**	**261**
TOTAL	**ALL YEARS**	**353**	**8.5**	**342**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1989 rent increases were taken.

SYNOPSIS

Increases in rent within the controlled sector averaged 3.4% in 1988 in Manitoba with an average rent level of $419. The corresponding figures for Winnipeg are 3.5% and $429.

The 1988 average rent increase for the exempt sector settled at the 2.5% level similar to the 1987 average of 2.6%. Early 1989 data shows both the controlled and the exempt sector rents rising at an average of 3.5%. The relatively low rent increases in 1988 for exempt units in Winnipeg are probably a reflection of the rising vacancy rate as reported by C.M.H.C. which rose from 2.8% in October 1987 to 4.2% in October 1988.

Rental units for all of Manitoba where landlords applied for amounts above the guideline of 3% in 1988 were allowed an additional 2.8% which brought the average increase to 5.8% and the overall rent level to $389 (Table 15). Figures for Winnipeg are 5.6% and $410 for an average rent.

Percentage increases have risen from 1987 where the average increase for both Manitoba and Winnipeg was 5.2%. However, the generally lower rent levels on rental units that applied for increases above the guideline caused the actual average dollar increase to remain constant at $21 for the past two years.

TABLE 15
MANITOBA

1988 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	256	8.4	251
	1946-1959	257	8.4	270
	1960-1977	329	3.9	340
	1978+	-	-	310
	TOTAL	**275**	**7.0**	**302**
1 Bedroom	0-1945	320	8.6	316
	1946-1959	330	7.9	332
	1960-1977	420	4.8	406
	1978+	477	4.4	461
	TOTAL	**398**	**5.5**	**395**
2 Bedroom	0-1945	384	14.0	400
	1946-1959	373	9.4	397
	1960-1977	484	4.8	480
	1978+	565	5.0	558
	TOTAL	**474**	**5.4**	**483**
3 Bedroom	0-1945	475	12.1	459
	1946-1959	494	10.3	318
	1960-1977	502	5.0	519
	1978+	611	4.4	607
	TOTAL	**509**	**5.8**	**535**
4 Bedroom	0-1945	531	26.5	460
	1946-1959	-	-	122
	1960-1977	557	6.1	448
	1978+	-	-	434
	TOTAL	**551**	**9.6**	**442**
Other	0-1945	184	9.8	315
	1946-1959	308	7.4	351
	1960-1977	312	6.3	432
	1978+	502	6.6	481
	TOTAL	**262**	**7.3**	**401**
TOTAL	**ALL YEARS**	**389**	**5.8**	**424**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1988 rent increases were taken.

TABLE 16
MANITOBA

1989 AVERAGE RENT LEVELS AND INCREASES BY SUITE TYPE AND YEAR OF CONSTRUCTION

SUITE TYPE	YEAR OF CONSTRUCTION	APPLICATIONS ABOVE GUIDELINE AVERAGE RENTS	APPLICATIONS ABOVE GUIDELINE AVERAGE % INCREASES	INCREASES AT OR BELOW ANNUAL GUIDELINE OF 3% AVERAGE RENTS
Bachelor	0-1945	239	7.3	252
	1946-1959	259	6.9	245
	1960-1977	346	6.0	356
	1978+	-	-	380
	TOTAL	**285**	**6.6**	**317**
1 Bedroom	0-1945	312	24.7	317
	1946-1959	329	6.0	323
	1960-1977	466	5.4	417
	1978+	340	5.9	492
	TOTAL	**456**	**5.8**	**412**
2 Bedroom	0-1945	402	20.4	428
	1946-1959	363	6.7	379
	1960-1977	503	5.7	493
	1978+	404	6.3	564
	TOTAL	**495**	**6.1**	**499**
3 Bedroom	0-1945	322	17.9	441
	1946-1959	x	x	319
	1960-1977	454	4.9	521
	1978+	-	-	587
	TOTAL	**452**	**5.3**	**522**
4 Bedroom	0-1945	-	-	488
	1946-1959	-	-	126
	1960-1977	439	2.1	494
	1978+	-	-	-
	TOTAL	**439**	**2.1**	**452**
Other	0-1945	372	12.6	263
	1946-1959	383	10.0	340
	1960-1977	480	5.9	438
	1978+	427	4.0	522
	TOTAL	**456**	**6.9**	**383**
TOTAL	**ALL YEARS**	**462**	**6.0**	**435**

X - Available statistics are too limited to be included.

NOTE: 1.) The average rent levels in this table are averages of the final rents after the 1989 rent increases were taken.

RENT APPEALS BRANCH

RENT APPEALS BRANCH

Although the appeal function is an integral part of the Rent Regulation Program and is defined in the Residential Rent Regulation Act, the execution of this function rests within the Rent Appeals Branch and is totally independent of the Landlord and Tenant Affairs Branch.

The primary responsibilities of the Appeals Branch are:

- hearing and adjudicating appeals by landlords or tenants relating to rent increase recommendations issued by the Rent Regulation Bureau;
- considering applications for rent rollback as submitted by the Rent Regulation Bureau; and
- processing applications for the rehabilitation of buildings that may then qualify for temporary exemption from rent increase limitations under the Residential Rent Regulation Act.

All adjudications and orders under the appeal process are made by panels consisting of one or more members. Appeal panelists are private citizens from all walks of life appointed by the provincial government.

ACTIVITY SUMMARY

The appeal function is the last level of activity in the Rent Regulation Program. The peak work load in the Appeals Branch follows about two to three months after the peak work period in the Rent Regulation Bureau. Table 1A reflects this shift to some degree by recording the bulk of 1988 appeal activity in the latter part of the year i.e. 1988/89 fiscal year column.

Almost 50% of appealed recommendations, for rent increases effective in the 1988 calendar year, were varied by appeal panels. About one in three appealed recommendations experienced no change - 761 of 2,180 were upheld and 357 were either withdrawn by the appellant or rejected by the Appeals Branch. Most rejections are caused by late appeals.

The rehabilitation provisions provide for a two stage process:

1. Landlord applies and obtains approval to proceed with project.

2. After successful completion of project, landlord then applies for a period of exemption from rent increase limitations.

The process is illustrated in Table 1A where 128 applications for rehabilitation were processed during the 1988/89 fiscal year and received approval to commence rehabilitation work.

Prior to the end of the 1988/89 fiscal year, the work on 80 units was completed and, upon subsequent application, these units received exemptions for varying periods of time. Forty-four units were still awaiting the final decision as to their period of exemption. All approved projects do not necessarily complete the planned rehabilitation work. Some projects are modified to a degree where they no longer meet the criteria for exemption; others are simply abandoned and do not apply for exemption.

Table 2A deals with appeals relating to rent increases that take effect early in the 1989 calendar year. The bulk of 1989 appeals will be processed during the 1989/90 fiscal year.

TABLE 1A

CALENDAR YEAR 1988

STATISTICAL SUMMARY FOR MANITOBA

APPEALS	1987/88 FISCAL YEAR	1988/89 FISCAL YEAR
Landlord Initiated	357	1,730
Tenant Initiated	54	265
Dual Initiated	5	64
Carried Forward	-	168
TOTAL	416	2,227
DECISIONS		
Recommendation Upheld	198	761
Recommendation Varied	48	1,062
Appeals Withdrawn/Rejected	2	357
APPLICATIONS FOR REHABILITATION		
Approved	-	128
Rejected	-	-
TOTAL	-	128
APPLICATIONS FOR EXEMPTION		
Approved	-	80
Rejected	-	-
Pending	-	44

Disposition of 1988 Applications
Fiscal Year Ended March 31/89

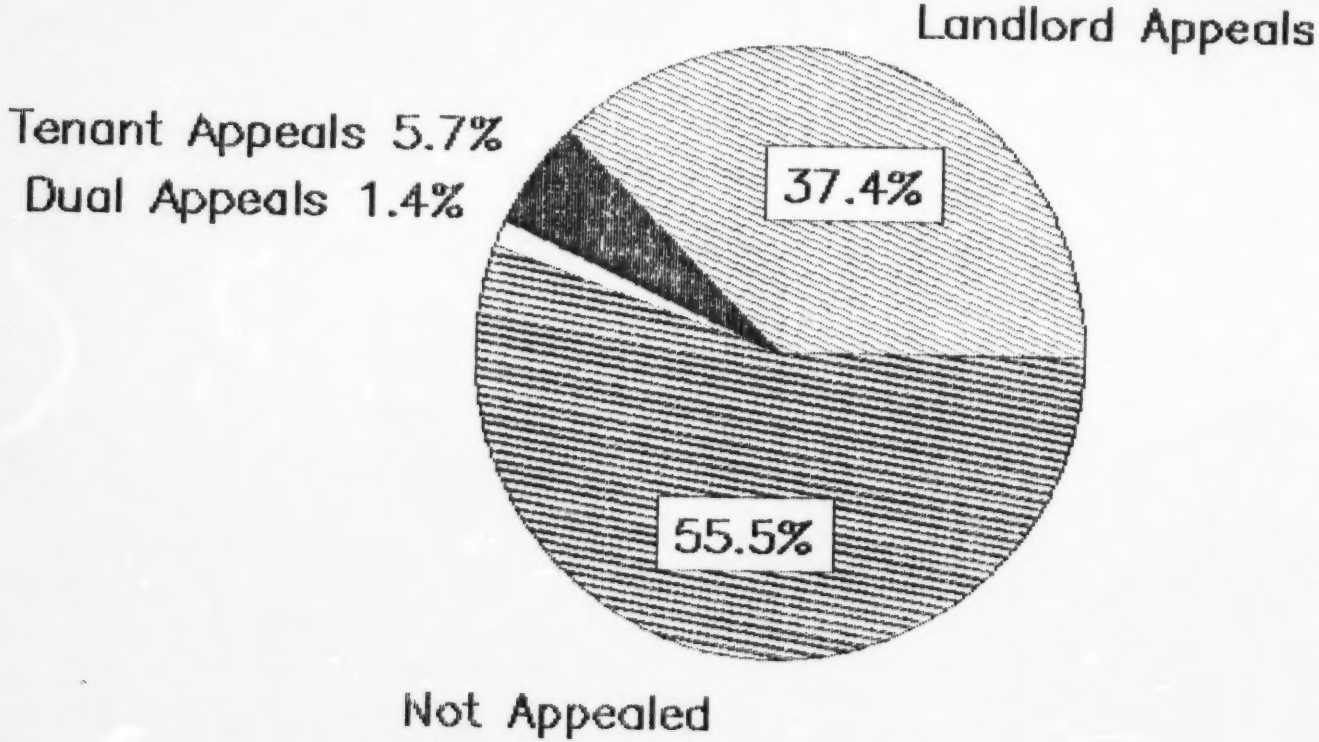


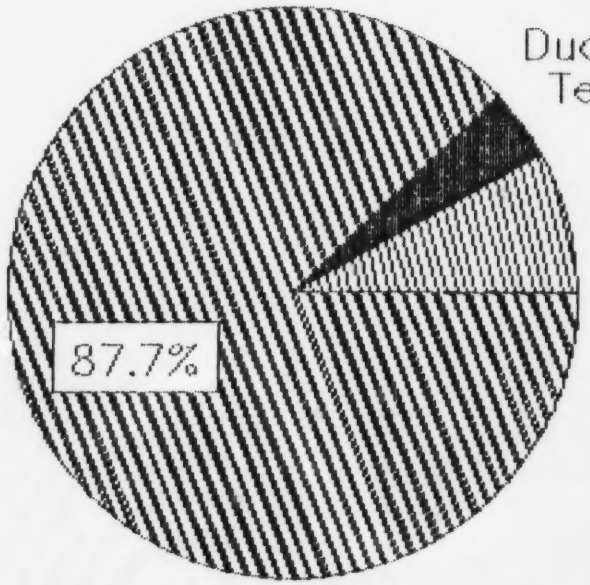
TABLE 2A

CALENDAR YEAR 1989

STATISTICAL SUMMARY FOR MANITOBA

APPEALS	1987/88 FISCAL YEAR	1988/89 FISCAL YEAR
Landlord Initiated	-	127
Tenant Initiated	-	64
Dual Initiated	-	1
Carried Forward	-	-
TOTAL	-	192
DECISIONS		
Recommendation Upheld	-	33
Recommendation Varied	-	37
Appeals Withdrawn/Rejected	-	2
APPLICATIONS FOR REHABILITATION		
Approved	-	-
Rejected	-	-
TOTAL	-	-
APPLICATIONS FOR EXEMPTION		
Approved	-	-
Rejected	-	-
Pending	-	-

Disposition of 1989 Applications
Fiscal Year Ended March 31/89



APPEALS

The Rent Regulation Bureau's recommendations for rent increases may be appealed by landlords or tenants. Almost one in eight appeals received during the 1988/89 fiscal year and pertaining to 1988 rent increases originated from the tenant. This represents a reduction in the actual number of tenant appeals (1987: 428 vs. 1988:265) as well as a reduction in the ratio of tenant/landlord appeals when compared to the previous year. Dual appeals, where both parties - landlord and tenant - appealed the Rent Regulation Bureau's recommended rent increase, rose to 64 in 1988/89. Tables 3A and 3B show the average 1988 rent levels and increases for units where the Bureau's recommendations were subsequently appealed. These tables reflect all appeals regardless of source.

A more detailed and separate examination of 'landlord appealed units' and 'tenant appealed units' may give some insight into the cause for appeals. Tables 4A and 5A show the average (Manitoba) 1988 rent on 'landlord appealed units' as $417 after the Bureau allowed a 4.6% increase. Corresponding figures for the previous year were $380 and 3.2%.

On 'tenant appealed units' the average rent was $387 or an 8.8% increase. In contrast, average rent for all units that applied for rent increases above the guideline reached $389 per month after an average 5.8% increase.

The above figures seem to reconfirm a trend, interrupted in 1987, which had developed over a number of years where 'landlord appealed units' generally had a higher rent level than the overall average for all units that applied for above guideline increases (i.e. $417 vs. $389). These results were seen as evidence that landlords did not base their decision to appeal a rent increase recommendation solely on inadequate rent levels but rather on low percentage increases allowed by the Bureau. Tenants seem to consider both aspects in appealing; rents at or above the average along with relatively high increases allowed by the Bureau.

The Winnipeg vacancy rate continued to climb in 1988 from 2.8% in October 1987 to 4.2% in October 1988. Despite the relatively high vacancy rate, landlord appeals saw a substantial increase from 28.3% in 1987/88 to 37.4% in the 1988/89 fiscal year. Tenant appeals showed the opposite result by experiencing a slight reduction from 6.2% in 1987/88 to 5.7% in 1988/89.

TABLE 3A

1988 AVERAGE RENT LEVELS ON APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	PRIOR TO RENT INCREASE	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	411	443	432	434
Brandon	118	139	124	124
Rural	131	160	153	152
Manitoba	390	421	410	412

TABLE 3B

1988 AVERAGE PERCENTAGE INCREASES ON APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	7.8	5.1	5.5
Brandon	18.2	5.1	5.1
Rural	21.8	16.8	15.6
Manitoba	8.1	5.2	5.6

TABLE 4A

1988 AVERAGE RENT LEVELS ON LANDLORD APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	PRIOR TO RENT INCREASE	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	420	450	438	441
Brandon	117	140	122	122
Rural	105	131	125	127
Manitoba	398	428	417	419

TABLE 4B

1988 AVERAGE RENT LEVELS ON TENANT APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	PRIOR TO RENT INCREASE	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	373	412	405	402
Brandon	124	136	136	136
Rural	209	246	236	224
Manitoba	356	394	387	384

TABLE 5A

1988 AVERAGE PERCENTAGE INCREASES ON LANDLORD APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	7.3	4.4	5.0
Brandon	19.7	4.3	4.3
Rural	24.8	19.5	21.5
Manitoba	7.6	4.6	5.2

TABLE 5B

1988 AVERAGE PERCENTAGE INCREASES ON TENANT APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	10.4	8.6	8.0
Brandon	9.7	9.7	9.7
Rural	17.5	12.8	7.0
Manitoba	10.7	8.8	7.9

TABLE 6A

1989 AVERAGE RENT LEVELS ON APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	PRIOR TO RENT INCREASE	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	421	460	445	449
Brandon	-	-	-	-
Rural	-	-	-	-
Manitoba	421	460	445	449

TABLE 6B

1989 AVERAGE PERCENTAGE INCREASES ON APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	9.2	5.5	6.5
Brandon	-	-	-
Rural	-	-	-
Manitoba	9.2	5.5	6.5

TABLE 7A

1989 AVERAGE RENT LEVELS ON LANDLORD APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	PRIOR TO RENT INCREASE	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	414	460	429	434
Brandon	-	-	-	-
Rural	-	-	-	-
Manitoba	414	460	429	434

TABLE 7B

1989 AVERAGE RENT LEVELS ON TENANT APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	PRIOR TO RENT INCREASE	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	428	460	457	461
Brandon	-	-	-	-
Rural	-	-	-	-
Manitoba	428	460	457	461

TABLE 8A

1989 AVERAGE PERCENTAGE INCREASES ON LANDLORD APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	11.3	3.9	5.0
Brandon	-	-	-
Rural	-	-	-
Manitoba	11.3	3.9	5.0

- -

TABLE 8B

1989 AVERAGE PERCENTAGE INCREASES ON TENANT APPEALED UNITS, WINNIPEG AND RURAL MANITOBA

LOCATION	AS REQUESTED BY LANDLORD	AFTER RECOMMENDATION BY BUREAU	AFTER APPEAL PANEL DECISION
Winnipeg	7.4	6.9	7.8
Brandon	-	-	-
Rural	-	-	-
Manitoba	7.4	6.9	7.8